Agricultural subsidy

†3053. SHRI RAVI SHANKAR PRASAD: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that only 1.3 per cent of Gross Domestic Product are offered as agricultural subsidy by Government in the country whereas this subsidy is up to 42 per cent of the GDP in Economic Corporation and Development Countries;

(b) if not, the facts in this regard; and

(c) the reaction of Government with regard to success rate of Indian agri-products while competing with the agri-products of these countries in view of the above situation?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA): (a) and (b) As per the estimates of Central Statistical Organization (CSO), the agricultural subsidy in India as percentage of GDP at current prices accounts for about 1.06 per cent in the year 2004-05. As per the detabase of the Organization for Economic Cooperation and Development (OECD) countries, their agricultural subsidy is 33.98 per cent in 2004.

(c) The paucity of resources in a developing country like India does not allow to match the agricultural subsidy given by the OECD countries. In the ongoing negotiations on Agreement on Agriculture (AoA) in the WTO, India has demanded that subsidies be eliminated to create level playing field in trade for developing countries. To encourage exports and increase access to international markets, the Government implements schemes such as Transport Assistance Scheme and Vishesh Krishi Upaj Yojna.

As per FAO Statistical Year book (2004), share of India's agicultural exports in the world rose to 1.25 percent in 2002 from 1.19 percent witnessed during 1999-2001 . Daring the same period, share of India's agricultural imports in the world rose to 0.87 percent in 2002 from 0.82 percent witnessed during 1999-2001. This indicates India's competitiveness.

† Original notice of the question was received in Hindi.